

Opening Statement of the Honorable Fred Upton
Subcommittee on Health
Hearing on “Medicare Advantage: What Beneficiaries Should Expect Under the
President’s Health Care Plan”
December 4, 2013

(As Prepared for Delivery)

Every day we hear from individuals and families across the country about how Obamacare has wreaked havoc on their health care coverage, with millions receiving cancellation notices, millions more facing premium rate shock, and others still left to wonder if their applications on HealthCare.gov were even successful. This morning, we will focus on how the health care of our nation’s seniors and disabled could be affected by the changes by in the president’s health care plan.

The president’s health care law cut over \$700 billion from the already struggling Medicare program to help fund the flawed new entitlement. Included in these cuts were over \$300 billion in direct and indirect reductions to the Medicare Advantage program. Many of these cuts will begin in 2014.

Medicare’s managed care program, also known as Medicare Advantage, currently provides coverage for more than 14 million Americans, over a quarter of all Medicare beneficiaries. These patients choose Medicare Advantage plans over traditional Medicare for a variety of reasons including improved cost-sharing, enhanced benefits, better care coordination, and higher quality of care. For millions of Americans, especially those with lower-incomes, Medicare Advantage is a better option for delivering their care.

While Medicare Advantage continues to grow, the cuts made in the health care law threaten the future of the program and could put coverage at risk for thousands of beneficiaries in 2014 and many more in the future.

According to a report by the Kaiser Family Foundation, more than half a million beneficiaries may lose their existing Medicare Advantage plan next year, which would force these seniors and disabled Americans to switch their current plan or return to a traditional Fee-for-Service plan. More than 105,000 beneficiaries enrolled in a Medicare Advantage plan in 2013 will not be able to enroll in a Medicare Advantage plan at all in 2014.

Likewise, for thousands of America’s most vulnerable, “if you like your doctor, you will be able to keep your doctor,” is sadly another broken promise. Reports confirm that many Medicare Advantage enrollees will see a change in their provider networks next year as a result of the new law.

Empty promises may be of little concern to this administration, but they have real consequences for the Americans who expect Washington to do no harm. Americans deserve to know why their existing coverage is changing when they were promised otherwise, and this morning’s hearing will be an important opportunity to get some answers from a panel of expert witnesses.

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